



Water Supply District of Acton

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EXTRA INFORMATION

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The Honorable James B. Eldridge, Chairman
Water Infrastructure Finance Commission
State House, Room 213A
Boston, MA 02133-1054

EXTRA INFORMATION

RE: Testimony to the Water Infrastructure Finance Commission

October 22, 2010

Dear Chairman Eldridge,

You are certainly aware of and impacted by the operation of the Water Supply District of Acton (AWD). For the rest of the Commission, we will provide a brief overview of our system. The water system is served by 22 wells entering the distribution system through six treatment facilities. These facilities range in complexity from simple chemical adjustment and disinfection to a state of the art membrane filtration facility. We serve 95% of the town of Acton via 110 miles of water main, approximately 1,100 fire hydrants and four storage reservoirs with a capacity of 8.5 million gallons. This entire infrastructure ranges in age from 1 year old to 94 years old. To summarize the financial burden facing us, we recently spent six million dollars to construct one filtration facility. This potentially leaves us constructing three additional treatment facilities to meet regulatory requirements, satisfy customer expectations, and mitigate pollution from the W.R. Grace Superfund site. Additional funding is necessary for replacing the distribution and storage infrastructure and maintaining facilities until new treatment facilities are planned, constructed, and brought online.

Changes to the State Revolving Fund (SRF)

The current market makes the SRF program less competitive with similar rates available through private lenders. Consideration should be given to 0% interest loans or increased funding levels. The existing uncertainty of receiving SRF funding and effectively planning a major project are too great a risk for minimal financial benefit. All costs associated with a project should be eligible and additional incentives should be implemented based on the scale of the project.

Value of Water

The ability to account for the value of the water provided, in addition to the production and capital costs, remains a difficult hurdle to overcome. The District is progressive in its rate and fee structures but still does not cover the environmental costs of water nor do our customers pay for the societal benefits from our water supply system. We have one of the most comprehensive customer outreach programs in the State and have a history of valuing water while saving for the future. This is not enough to educate our customers and residents of the financial and societal benefits of water infrastructure. A concerted effort, statewide, should be implemented to raise the bar for water infrastructure and help water suppliers pitch the financial needs to rate payers and elected officials.

Competing Needs and Regulatory Uncertainty

With ever increasing demands on water quality, new and complex policies and regulations, and increased concern with environmental conditions, the ability to plan for and pay for infrastructure is at best a moving target. Competition between capital improvements, operations, and responding to unfunded mandates creates a negative relationship between fiscal responsibility and protection of public health. Responding to regulatory requirements often leads to routine maintenance being deferred. This further places our infrastructure behind at a time where it is in critical need. Priorities should be determined at the local level and current policy does not readily allow this to happen. Acton has a long tradition of supporting water infrastructure however, as with many communities; increasing rates and incremental water quality improvement make our customers less tolerable of paying more.

Resource Protection

In response to sustainability efforts in the water sector, the idea of protecting our resources and improving the natural environment should be considered as part of our infrastructure. The Town of Acton has long been a partner with the Water District in protecting our water resources. Issues concerning wastewater and storm water management are a major focus in Acton and we support the Town in finding ways to finance and improve the management of these resources. In a community with a high reliance on septic systems, funding programs for upgrades and replacements should be pursued in addition to centralized sewer infrastructure. This represents a vital link in ensuring future generations' access to clean and affordable water.

We look forward to working with you on water infrastructure issues in the coming years. If you have any questions or require additional information regarding this testimony, do not hesitate to call us at 978-263-9107 or set up a meeting. Thank you for your efforts on this important topic.

Sincerely,

Christopher D. Allen
District Manager

Matthew L. Mostoller
Environmental Compliance Manager

Cc: Water Supply District of Acton Commissioners and Finance Committee
Town of Acton Board of Selectmen
Massachusetts Water Works Association